

**BEFORE THE INSURANCE DEPARTMENT
OF THE
COMMONWEALTH OF PENNSYLVANIA**

Statement Regarding the Acquisition of Control of or Merger with Domestic Insurers:

Geisinger Health Plan;
Geisinger Quality Options, Inc.; and
Geisinger Indemnity Insurance Company

By Risant Health, Inc.

**Response of Risant Health, Inc. to
Comment of California Nurses Association/National Nurses United, Dated August 7, 2023**

Risant Health, Inc. ("*Risant Health*") is responding to the comment from California Nurses Association/National Nurses United ("*CNA*") received by the Pennsylvania Insurance Department on August 7, 2023. The comment is numbered as Document 15 on the Risant Health/Kaiser Foundation Hospitals ("*KFH*")/Geisinger Health Filed Documents page on the Pennsylvania Insurance Department's website.

CNA offered a comment on the proposed acquisition of Geisinger Health Plan, Geisinger Quality Options, Inc., and Geisinger Indemnity Insurance Company to oppose Risant's proposed acquisition of Geisinger Health (the "*Proposed Transaction*").

In its comment, CNA alleges that the effect of the Proposed Transaction would be to "substantially lessen competition in insurance in the Commonwealth of Pennsylvania, or tend to create a monopoly therein." Risant Health respectfully disagrees.

Risant Health anticipates that the Proposed Transaction will not reduce competition or lead to consolidation in Pennsylvania because neither Risant Health nor KFH currently have or have ever had provider locations or offer health plan products in the Commonwealth. The Commonwealth is currently served by several providers and insurance plans, many of which are larger than Geisinger Health. Risant Health expects that Risant's support of Geisinger Health through the Proposed Transaction will have a pro-competitive impact for both provider services and health plan products in the Commonwealth.

Risant Health anticipates that, through the Proposed Transaction and by joining Risant, Geisinger Health will be able to become more effective and enter new regions for both clinical services and insurance products, expand value-based contracting with third party payors, and bring higher quality, more affordable and coordinated care to the citizens of Pennsylvania. Further, Geisinger Health (and therefore the Domestic Insurers) will gain access to resources that will enable them to operate more efficiently and to be more attractive alternatives for employer groups and members.

In its comment, CNA alleges that "[t]he competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger, consolidation or other acquisition of control." Risant Health respectfully disagrees.

Risant Health is a new nonprofit organization created by KFH, which is a component of Kaiser Permanente. Kaiser Permanente is the largest integrated health plan and care delivery organization in the country, with more than 78 years of delivering high-quality, affordable care and coverage to a membership

that has grown to more than 12.7 million members. Kaiser Permanente's expert staff and physicians are dedicated, compassionate and hard-working, regularly achieving among the best results in a wide range of health care surveys, accolades, and other independent measurements of success.

As noted in Risant's Form A Application, Kaiser Permanente's national and international reputation as a leader in healthcare excellence is supported by exceptional clinical effectiveness scores, outstanding patient safety ratings and high-performing hospitals. Kaiser Permanente's health plans are ranked as among the best in the nation for prevention, overall treatment, and patient experience by the National Committee for Quality Assurance. Five (5) of Kaiser Permanente's seven (7) health plans have 5-Star ratings from the Centers for Medicare & Medicaid Services (the highest rating possible). For the thirteenth consecutive year, all Kaiser Permanente Medicare health plans have been rated 4.0 stars or higher. Kaiser Permanente was also ranked highest in satisfaction in the J.D. Power and Associates 2022 Member Health Plan Study for all geographic areas where Kaiser Permanente was eligible.

Further, and again as noted in Risant's Form A Application, the parties to the Proposed Transaction do not anticipate any changes to the governing bodies or executive officers for the Domestic Insurers as a result of the Proposed Transaction. Risant Health expects that after the Proposed Transaction closes, the competence, experience and integrity currently exhibited by the Domestic Insurers' leadership will continue, with Risant's full support.

Currently, Geisinger Health is an integrated nonprofit organization with a health plan that serves more than 600,000 members across Pennsylvania's 67 counties, including approximately 330,000 Medicaid beneficiaries, 100,000 Medicare Advantage beneficiaries, and 170,000 commercial plan lives. By joining Risant Health, Geisinger Health's approach to care delivery stays preserved insofar as the more than 600,000 current health plan members will continue to access and receive care just as they currently do today.

In its comment, CNA alleges that "[t]he merger, consolidation or other acquisition of control is likely to be hazardous or prejudicial to the insurance buying public." Risant Health respectfully disagrees.

As noted above, Risant Health anticipates that the Proposed Transaction will enable Geisinger Health to bring higher quality and more affordable and coordinated care to the citizens of Pennsylvania and become more attractive alternatives for employer groups and members. In direct contrast to CNA's allegations, Risant Health anticipates that the Proposed Transaction will serve the public interest in Pennsylvania, as it will increase the availability and accessibility of quality, value-based care in Geisinger Health's communities and service area and beyond, all of which are benefits to the insurance buying public.

Risant Health appreciates the opportunity to respond to CNA's comments.

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Date: August 24, 2023

cc: John Stead-Mendez, California and Nevada Collective Bargaining Director
California Nurses Association/National Nurses United